

TO: THE HONORABLE PRESIDENT AND MEMBERS OF THE CITY COUNCIL

FROM: ANNIE MILLI, EXECUTIVE DIRECTOR 

DATE: NOVEMBER 3, 2021

SUBJECT: CITY COUNCIL BILL 21-0169 HIGH-PERFORMANCE NEWLY CONSTRUCTED DWELLINGS TAX CREDIT - APPLICATION EXTENSION

CC: MS. NATASHA MEHU, MAYOR'S OFFICE; MS. NINA THEMELIS, MAYOR'S OFFICE

Live Baltimore was asked to provide information related to City Council Bill 21-0169, introduced by Councilmember Costello, President Mosby, and Councilmembers Stokes, Middleton, Bullock, Glover, Schleifer, Torrence, Cohen, Porter, and Conway. The bill is for the purpose of extending the period within which applications may be accepted for the High-Performance Newly Constructed Dwellings Tax Credit and providing for a special effective date.

Live Baltimore is a 501(c)(3) nonprofit organization that promotes living in Baltimore City. We market City neighborhoods as great places to live, encourage residents to stay in the City, support efforts that increase the supply of housing, and advocate for the importance of population growth. Our work includes providing information about all available City and State incentives to current and prospective Baltimore City residents and members of the residential real estate community.

High-Performance Newly Constructed Dwellings Tax Credits increase the marketability of significantly renovated and newly constructed for-sale housing by reducing homebuyers' costs. Baltimore City competes with surrounding counties for homebuyers. Despite strong demand for significantly renovated and newly constructed for-sale housing, Baltimore City is disadvantaged regionally. Fewer added housing units become available for buyers in Baltimore City annually (compared to other counties in the metro region) while [property tax rates are more than twice as high](#).

A recent study of [Baltimore City's residential market potential](#), commissioned by Live Baltimore and completed by Zimmerman/Volk Associates Inc. (ZVA), estimates that 7.5 to 10 percent of potential Baltimore City homebuyers would prefer significantly renovated or newly constructed housing. Given this, ZVA projects that 1,353 and 1,808 additional households would buy in Baltimore City each year (through 2025) if enough significantly renovated or new homes were made available.

Live Baltimore concludes that increasing both the supply and marketability of significantly renovated or newly constructed for-sale housing is a promising strategy to retain and attract a greater number of Baltimore City residents. In accordance with Live Baltimore's Board Policy, we take no formal position on this bill.

Please contact Annie Milli at amilli@livebaltimore.com or 410-637-3750 x111 with any questions.